

City of Wyoming

**Independent Accountant's Report
on Applying Agreed-Upon Procedures**

**For the Period
July 1, 2013 through June 30, 2014**

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City of Wyoming, Iowa

Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
(Before January 1, 2014)		
Keith Somerville	Mayor	Jan 2014
Steve Agnitsch	Council Member	Jan 2014
Kelly Dodge	Council Member	Jan 2014
Chris Watters	Council Member	Jan 2014
Rod Gravel	Council Member	Jan 2016
Craig Taylor	Council Member	Jan 2016
Sheri Tjaden	City Clerk	Indefinite
Janette Voss	City Attorney	Indefinite
(After January 1, 2014)		
Keith Somerville	Mayor	Jan 2016
Rod Gravel	Council Member	Jan 2016
Craig Taylor	Council Member	Jan 2016
Steve Agnitsch	Council Member	Jan 2018
Mitzi Washburn-Koranda	Council Member	Jan 2018
John Hollingshead	Council Member	Jan 2018
Sheri Tjaden	City Clerk	Indefinite
Janette Voss	City Attorney	Indefinite

James R. Ridihalgh, C.P.A.
Gene L. Fuelling, C.P.A.
Donald A. Snitker, C.P.A.
Jeremy P. Lockard, C.P.A.

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Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Honorable Mayor
and Members of City Council:

We have performed an agreed-upon procedures engagement of the City of Wyoming, Iowa pursuant to Chapter 11.6 of the Code of Iowa enacted by the Iowa Legislature to provide certain minimum oversight of Iowa cities. Accordingly, we have applied certain tests and procedures to selected accounting records and related information of the City of Wyoming for the period July 1, 2013 through June 30, 2014. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards for attestation engagements contained in Government Auditing Standards, issued by the Comptroller General of the United States.

The procedures we performed are summarized as follows:

1. We reviewed selected City Council meeting minutes for compliance with Chapters 21, 372.13(6), and 380 of the Code of Iowa.
2. We reviewed the City's internal controls to determine if proper control procedures are in place and incompatible duties, from a control standpoint, are not performed by the same employee.
3. We reviewed surety bond coverage for compliance with Chapter 64 of the Code of Iowa.
4. We obtained and reviewed the City Clerk's financial reports and selected bank reconciliations to determine whether the bank balances properly reconciled to the general ledger account balances and monthly financial reports provided to the City Council.
5. We reviewed City funds for consistency with the City Finance Committee's recommended Uniform Chart of Accounts (COA) and to determine required funds and fund balances are properly maintained and accurately accounted for.
6. We reviewed the City's fiscal year Annual Financial Report (AFR) to determine whether it was completed and accurately reflects the City's financial information.
7. We reviewed investments to determine compliance with Chapter 12B of the Code of Iowa.
8. We reviewed compliance with Chapters 12C.2, 12B.10B and 556.1(12) of the Code of Iowa pertaining to required depository resolutions, investment policy and reporting of unclaimed property to the State of Iowa.

9. We reviewed debt, including general obligation and revenue bonds/notes, and related transactions for proper authorization and compliance with Chapters 75, 384 and 403.9 of the Code of Iowa and to determine whether the debt and related proceeds and repayments were properly accounted for.
10. We reviewed and tested selected receipts for accurate accounting and consistency with the recommended COA.
11. We reviewed and tested selected disbursements for proper approval, adequate supporting documentation, accurate accounting and consistency with the recommended COA and compliance with the public purpose criteria established by Article III, Section 31 of the Constitution of the State of Iowa.
12. We reviewed transfers between funds for propriety, proper authorization and accurate accounting.
13. We reviewed and tested selected payroll and related transactions for propriety, proper authorization and accurate accounting.
14. We reviewed the annual certified budget for proper authorization, certification and timely amendment.

Based on the performance of the procedures described above, we identified various recommendations for the City. Our recommendations are described in the Detailed Recommendations section of this report. Unless reported in the Detailed Recommendations, items of non-compliance were not noted during the performance of the specific procedures listed above.

We were not engaged to and did not conduct an audit of the operations of the City of Wyoming, the objective of which is the expression of opinions on financial statements. Accordingly, we do not express opinions on the City's financial statements. Had we performed additional procedures, or had we performed an audit of the City of Wyoming, additional matters might have come to our attention that would have been reported to you.

The report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of the City of Wyoming and other parties to whom the City of Wyoming may report. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the City of Wyoming during the course of our agreed-upon procedures. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

Ridihalgh, Fuelling, Snitker, Weber & Co., P.C.

Ridihalgh, Fuelling, Snitker, Weber & Co., P.C.

September 29, 2014

Detailed Recommendations

City of Wyoming, Iowa

Detailed Recommendations

For the period July 1, 2013 through June 30, 2014

- (A14) Segregation of Duties – One important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. These incompatible duties can be summarized into four general categories: Custody, Authorization, Record-Keeping and Review. Ideally, separate individuals have control over each of the duties listed within the following areas for the City:

- (1) Cash – handling, reconciling and recording.
- (2) Receipts – opening mail, collecting, depositing, journalizing, reconciling and posting.
- (3) Disbursements – purchasing, invoice processing, check writing, mailing, reconciling and recording.
- (4) Payroll – recordkeeping, preparation and distribution.
- (5) Utilities – billing, collecting, depositing and posting.
- (6) Financial reporting – preparation and reconciling.
- (7) Journal entries – preparing and journalizing.

Recommendation – We realize segregation of duties is difficult with a limited number of employees. However, the City should continue to review its control procedures to obtain the maximum internal control possible under the circumstances utilizing currently available staff, including elected officials.

- (B14) Council Minutes – We noted an instance in the City’s binder of Council Minutes where the minutes of a regular session of the City Council had not been signed by the City Clerk.

Recommendation – The Council Minutes should be signed timely in accordance with Chapter 380.7 of the Code of Iowa.

- (C14) Bank Reconciliation – We noted a correction was made to a monthly Treasurer’s Report to include an outstanding item that was not on the report. However, this item was not present on the City’s bank reconciliation and outstanding transaction report. This resulted in the corrected Treasurer’s Report having an ending cash balance for the month that differed from the City’s accounting records.

Recommendation – City management should ensure ending cash balances on monthly Treasurer’s Reports agree to the City’s accounting records.

City of Wyoming, Iowa

Detailed Recommendations

For the period July 1, 2013 through June 30, 2014

- (D14) Treasurer's Report – We noted an instance where the ending cash balance on the monthly Treasurer's Report did not agree to the City's accounting records. The difference was due to payroll tax deposit expenses that had been included on the Treasurer's Report but had not yet paid by the City and recorded on the books.

Recommendation – City management should ensure the information on monthly Treasurer's Reports agrees to the City's accounting records.